



## A BILL FOR AN ORDINANCE

ESTABLISHING A REAL PROPERTY TAX EXEMPTION FOR KULEANA LAND.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. The purpose of this ordinance is to establish a tax exemption for properties designated as kuleana land. The ordinance also makes conforming amendments.

SECTION 2. Chapter 8, Article 10, Revised Ordinances of Honolulu 1990, as amended ("Exemptions"), is amended by adding a new section to be appropriately designated by the revisor of ordinances and to read as follows:

**"Sec. 8-10. Exemption—Kuleana land.**

- (a) Real property zoned as residential or agricultural, any portion of which is designated as kuleana land, shall pay the minimum real property tax as long as the real property is owned in whole or in part by a lineal descendant of the person(s) that received the original title to the kuleana land.
- (b) An application for this exemption shall be filed with the director on forms prescribed by the director. The application shall include documents verifying that the condition set forth in subsection (a) has been satisfied. The director shall prescribe what shall be sufficient to show genealogy verification, provided that: (1) genealogy verification by the Office of Hawaiian Affairs or by court order shall be deemed sufficient; and (2) the applicant/landowner shall be responsible for the cost of such evidence. The director shall require the applicant to obtain a court order verifying ownership of property if the applicant is not identified as the owner of the property in the records of the director.
- (c) For purposes of this section, "kuleana land" means those lands granted to native tenants pursuant to L. 1850, p. 202, entitled "An Act Confirming Certain Resolutions of the King and Privy Council, Passed on the 21st Day of December, A.D. 1849, Granting to the Common People Allodial Titles for Their Own Lands and House Lots, and Certain Other Privileges," as amended by L. 1851, p. 98, entitled "An Act to Amend An Act Granting to the Common People Allodial Titles for Their Own Lands and House Lots, and Certain Other Privileges" and as further amended by any subsequent legislation.



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- (d) Notwithstanding the provisions of subsection (a), kuleana lands which are Hawaiian home lands shall not pay the minimum real property tax if they qualify for the exemption set forth in Section 8-10.28(b)(2)(B)."

SECTION 3. Section 8-10.1, Revised Ordinances of Honolulu 1990, as amended ("Claims for certain exemptions"), is amended by amending subsections (a) and (d) to read as follows:

- "(a) None of the exemptions from taxation granted in Sections 8-10.4, 8-10.6 through 8-10.11, 8-10.24, 8-10.27, [and] 8-10.29, and 8-10.\_\_\_\_ shall be allowed in any case, unless the claimant shall have filed with the department of budget and fiscal services on or before September 30th preceding the tax year for which such exemption is claimed, a claim for exemption in such form as shall be prescribed by the department."
- "(d) The owner of any property which has been allowed an exemption under Sections 8-10.4, 8-10.6 through 8-10.11, 8-10.24, 8-10.27, [or] 8-10.29, or 8-10.\_\_\_\_ has a duty to report to the assessor within 30 days after such owner or property ceases to qualify for such an exemption for, among others, the following reasons:
- (1) The ownership of the property has changed;
  - (2) A change in the facts previously reported has occurred concerning the occupation, use or renting of the premises, buildings or other improvements thereon; or
  - (3) A change in status has occurred which affects the owner's exemption.

Such report shall have the effect of voiding the claim for exemption previously filed, as provided in subsection (b)(4) of this section. The report shall be sufficient if it identifies the property involved, states the change in facts or status, and requests that the claim for exemption previously filed be voided.

In the event the property comes into the hands of a fiduciary who is answerable as provided for by this chapter, the fiduciary shall make the report required by this subsection within 30 days after the assumption of the fiduciary's duties or within the time otherwise required, whichever is later.

A penalty shall be imposed for the failure to make the report required by this subsection. The amount of the penalty shall be the lesser of: (A) \$200.00 for each year that the change in facts remains unreported; or (B) the amount of the



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taxes due for the property computed without the claim for exemption as of October 1st immediately preceding the tax year in which the report was due. In addition to this penalty, the taxes due on the property plus any additional penalties and interest thereon shall be a paramount lien on the property as provided for by this chapter."

SECTION 4. Ordinance material to be repealed is bracketed. New material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the revisor of ordinances need not include the brackets, the bracketed material, or the underscoring.



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SECTION 5. This ordinance shall take effect upon its approval and shall apply to the tax year beginning July 1, 2008 and the tax years thereafter.

INTRODUCED BY:

Donovan Dela Cruz (BR)

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DATE OF INTRODUCTION:

February 23, 2006  
Honolulu, Hawaii

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Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Gusano R. Bender  
Deputy Corporation Counsel

APPROVED this 26<sup>th</sup> day of April, 2007.

Mufi Hannemann  
MUFU HANNEMANN, Mayor  
City and County of Honolulu

(OCS/041107/hm)

CITY COUNCIL  
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HONOLULU, HAWAII  
CERTIFICATE

ORDINANCE 07 - 7

BILL 25 (2006), CD2, FD1

Introduced: 2/23/06 By: DONOVAN DELA CRUZ (BY REQUEST)

Committee: BUDGET

Title: A BILL FOR AN ORDINANCE ESTABLISHING A REAL PROPERTY TAX EXEMPTION FOR KULEANA LAND.

Links: [BILL 25 \(2006\)](#)  
[BILL 25 \(2006\), CD1](#)  
[BILL 25 \(2006\), CD2](#)  
[BILL 25 \(2006\), CD2, FD1](#)  
[CR-236](#)

COUNCIL	3/15/06	BILL PASSED FIRST READING AND REFERRED TO COMMITTEE ON BUDGET.
	APO Y	CACHOLA Y DELA CRUZ Y DJOU E GARCIA Y
	KOBAYASHI Y	MARSHALL Y OKINO Y TAM Y
BUDGET	3/29/06	BILL DEFERRED IN COMMITTEE.
BUDGET	4/26/06	CR-236 - BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON SECOND READING AND SCHEDULING OF A PUBLIC HEARING AS AMENDED IN CD1 FORM.
PUBLISH	5/6/06	PUBLIC HEARING NOTICE PUBLISHED IN THE HONOLULU STAR-BULLETIN.
COUNCIL/PUBLIC HEARING	5/17/06	BILL PASSED SECOND READING, AS AMENDED (CD1), CR-236 ADOPTED, PUBLIC HEARING CLOSED AND REFERRED TO BUDGET COMMITTEE.
	APO Y	CACHOLA Y DELA CRUZ Y DJOU Y GARCIA Y
	KOBAYASHI Y	MARSHALL Y OKINO Y TAM Y
BUDGET	5/23/06	BILL 25, CD1, DEFERRED IN COMMITTEE.
PUBLISH	5/24/06	SECOND READING NOTICE PUBLISHED IN THE HONOLULU STAR-BULLETIN.
BUDGET	03/28/07	CR-94 (2007) - BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON THIRD READING AS AMENDED IN CD2 FORM.
COUNCIL	04/11/07	BILL 25 (2006), CD2 FURTHER AMENDED TO FD1 ON THE COUNCIL FLOOR AND SUBSEQUENTLY PASSED THIRD READING AS AMENDED (BILL 25 (2006), CD2, FD1 AND CR-94 (2007) ADOPTED.
	APO Y	CACHOLA Y DELA CRUZ Y DJOU Y GARCIA Y
	KOBAYASHI Y	MARSHALL Y OKINO Y TAM Y

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this BILL.

  
DENISE C. DE COSTA, CITY CLERK

  
BARBARA MARSHALL, CHAIR AND PRESIDING OFFICER